



624 Six Flags Drive, Suite 100 * Arlington, Texas 76011 * (817) 640-0606 (Office) * (817) 640-6315 (Fax) * www.nctrca.org

DBE Certification

What is a DBE?

Disadvantaged Business Enterprise

- An independent for profit small business which is at least **51% owned** by one or more individuals who are both **socially and economically disadvantaged** or, in the case of a corporation, in which 51% of the stock is owned by one or more such individuals; and whose management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it.
- Which meets the size standards of 13 CFR Part 121.2 and other relevant regulations.

What is certification?

- The establishment of systematic procedures to ensure that only bona fide small disadvantaged business firms are certified to participate in DOT federally assisted programs.
- The DOT Disadvantaged Business Enterprise Regulations 49 CFR Part 26 place primary responsibility for the certification process upon State Transportation Agencies, which are tasked with ensuring only bona fide, small firms, owned and controlled by a socially and economically disadvantaged individual(s) are certified.

Four-prong Qualification Test

1. Is your firm at least 51% owned by a socially and economically disadvantaged individual(s) who also controls the firm?
2. Is the disadvantaged owner an U.S. citizen or lawfully admitted permanent resident of the United States?
3. Is your firm a small business that meets the Small Business Administrations (SBA's) size standard and does not exceed \$22.41 million in gross annual receipts?
4. Is your firm organized as a for-profit business?

Size Determinations

Personal Net Worth

- Cannot exceed **\$1.32 million**
- Excluding the following:
 - Half (1/2) of all marital assets
 - Ownership assets in applicant firm
 - Homestead
- Must include:
 - Ownership assets in other firms
 - All other real property

Business Size

- DBE firms cannot exceed **\$22.41 million** over a three-year average of gross receipts
- Depending on NAICS – number of **employees** is also used as a threshold

Required Documentation

All Firms Must Provide:

- Resumes for owners and key personnel
- Proof of U.S. citizenship or permanent residency (through a supplemental form)
- Complete copy of business and personal tax returns (for each owner claiming disadvantaged status) for past 3 years
- Loan agreements / lease agreement (for property) / lease agreements (for equipment)
- Contribution documents (proof of monetary, equipment, real estate or expertise)
- Proof of asset transfers

Documentation (continued)

- Year-end balance sheets / income statements
- Licenses and permits
- Other certification, denial, &/or decertification letters
- Bank signature card for business account(s)
- Trust agreements
- Schedule of salaries (or other compensation remuneration) paid to all officers, managers, directors, or key personnel within the firm

Business Structure Specific Documents

Partnership

- Complete copy of original & amended partnership agreement

Corporation or LLC

- Original Certificate of Formation or Organization (signature of state official)
- Articles of Formation or Organization (with state approval date stamp)
- Minutes of all Stockholders & Directors Meetings
- Shareholder's Agreements
- Corporate Bylaws or Operating Agreement (original & amended)
- Corporate Bank Resolution and Bank Signature Card
- Stock Certificates and Stock Register or Transfer Ledger

Business Type Specific Documents

Trucking or Hauling Firm

- Documented proof of ownership of the company
- Insurance agreements for each truck owned and operated by the firm
- Title(s) & registration(s) certificates for each truck owned and operated by the firm
- List of U.S. DOT numbers for each truck owned and operated by the firm

Regular Dealer

- Proof of warehouse ownership or lease
- List of product lines carried
- List of distribution equipment owned or leased

Application Process

Initial Review

- Preliminary check that all documents per the application are received.
- Applicant may receive a request for additional information. If application is complete NCTRCA will issue an **affidavit number**. *(this is an internal tracking number not a certification number)*
- If complete, file is pending a final review and 60-90 day period begins

Site Visit

- Specialist will contact applicant to schedule a time and date for the site visit.
- Disadvantaged owner must be present for site visit
- Site visit will be conducted at principal place of business and job/project site, if one is close in proximity

Final Review

- Complete desk audit of application and site visit overview.
- If firm is eligible & meets requirements of regulations – firm is certified.
- If firm is not eligible – firm is denied.
- Certification is renewable annually – DBE firms do not expire. Certified until decertified

Texas Unified Certification Program

Reciprocal certification within the state, if firm is certified with home based area certification Agency / DOT. Once certified, DBE certification provides the opportunity to bid statewide as a certified DBE firm for all DOT transportation modes, Federal Aviation Administration, Federal Highway Administration, and Federal Transit Administration

TUCP Members

- City of Austin
- City of Houston
- Corpus Christi Regional Transportation Authority
- NCTRCA (North Central Texas Regional Certification Agency)
- SCTRCA (South Central Texas Regional Certification Agency)
- TXDOT (Texas Department of Transportation)

Certification Decisions 49

CFR Part §26.83

- DBEs must inform the recipient (Certifying Agency) in writing of any changes in circumstances affecting the ability to meet size, disadvantaged status, ownership, or control requirements or any material change in the information provided
- The notice must take the form of an affidavit
- Must provide written notification within 30 days of the change

Monitoring

- Final review by Director
- Weekly staff review sessions
- Random site visits
- Random Q/A reviews by Agency Director
- Q/A checks and reviews by Regional Federal Highway Administration & Other TUCP Members of Executive Committee
- Annual renewals
 - Evaluate tax returns (business & personal)
 - Evaluate minutes of last meeting
 - Evaluate any changes in ownership & control or NAICS
 - 3 to 5 year site visits conducted on each DBE firm

Successful Site Visits

- Contact firm's owner at least 2 weeks prior to scheduled visit via email
- Request that firm's owner is present
- If other non-qualifying individuals are present, clearly state that questioning is directed at disadvantaged owner only
- If other non-qualifying individuals are disruptive, they are asked to leave or site visit is cancelled
- Review contracts, invoices, purchase orders
- Take tour of facility – ask questions regarding warehousing or work being performed on site
- Take tour of project/job site – ask questions of employees on the site
- Ask owner to discuss details of specific job to evaluate technical competence and expertise
- Owner must read and initial bottom of each page and sign last page

Intrastate Certification Process

- All applications received from other states – certified with their home state – requesting DBE certification are placed in a **RED** folder.
- All applications received from other states – not certified with their home state – requesting DBE certification are placed in a **BLUE** folder.
- Request site visit from State A (home state)
- Perform initial review of application
 - If additional information is needed Agency will request via email
 - If application is complete, email with affidavit number of 60 day processing time identified
- If no issues exist with application firm is certified
- If issues identified with application firm is notified via denial letter and State A notified of denial

Keys to a Successful Intrastate Program

- Identify all DOT and certification agencies in U.S.
- Identify the individuals responsible for issuing copies of site visits to other state certifiers
- Draft a letter which clearly identifies requirement of the rule and request for site visit (put everything in writing)
- Properly identify the applications in different color folders or with color dot system to ensure they are processed adequately
- Burden of documentation is on the applicant, not State B
- Meet the 60 day certification deadline
- Always respond within 7 days if information is requested of your State

Contact Information



North Central Texas Regional Certification Agency

624 Six Flags Drive, Suite 100

Arlington, Texas 76011

817-640-0606

817-640-6315 Fax

<http://www.nctrca.org>

NCTRCA Member Entity Representatives

<u>Organization/Representative</u>	<u>Address</u>	<u>Telephone Number</u>
1. Austin Industries * Simeon Terry Director of Diversity Affairs	3535 Travis Street, Suite 201 P.O. Box 1590 Dallas, TX 75204-1466 Email: sterry@austin-ind.com	(214) 443-5500 (214) 443-5556 (fax)
2. Baylor Health Care System * Lisa Woodard Supplier Diversity Program	2001 Bryan Street, Suite 2700 Dallas, TX 75201 Email: lisawoo@BaylorHealth.edu	(214) 820-8306 (214) 820-7390 (fax)
3. City of Dallas Perfecta Gallegos, Chair Manger – Business Development & Procurement Services	City Hall 1500 Marilla, Suite 3FN Dallas, TX 75201 Email: perfecta.gallegos@dallascityhall.com	(214) 671-9352 (214) 670-4793 (fax)
4. City of Fort Worth V. Gail Scott, Vice Chair M/WBE Office	1150 South Freeway, Suite 144 Fort Worth, TX 76104 Email: gail.scott@fortworthtexas.gov	(817) 212-2674 (817) 212-2681 (fax)
5. City of Irving Debra McVean, Secretary M/WBE Program Administrator	845 W. Irving Boulevard Irving, TX 75060 Email: dmcvean@cityofirving.org	(972) 721-3753 (972) 721-2568 (fax)

NCTRCA Member Entity Representatives

<u>Organization/Representative</u>	<u>Address</u>	<u>Telephone Number</u>
6. City of Lancaster Dawn Berry Purchasing Manager	Purchasing Office 211 N. Henry Street Lancaster, TX 75146 Email: dberry@ci.lancaster.tx.us	(972) 218-1133 (972) 216-6394 (fax)
7. City of Mesquite Le Sealey Transportation Coordinator	711 N. Galloway Avenue Mesquite, TX 75149 Email: lsealey@ci.mesquite.tx.us	(972) 216-6394 (972) 216-6397 (fax)
8. Dallas Area Rapid Transit Henry Nelson	P.O. Box 660163 Dallas, TX 75266-7217 Email: hnelson@dart.org	(214) 749-3191 (214) 749-3665 (fax)
9. Dallas County Matthew Parson Director, OM/WBO	Records Building 509 Main Street, Rm. 613 Dallas, TX 75202 Email: matthew.parson@dallascounty.org	(214) 653-6018 (214) 653-7449 (fax)
10. Dallas County Schools Denise Hickman	612 N. Zang Boulevard Dallas, TX 75208 Email: dhickman@deschools.com	(214) 944-4552 (214) 944-4564 (fax)

NCTRCA Member Entity Representatives

<u>Organization/Representative</u>	<u>Address</u>	<u>Telephone Number</u>
11. Dallas County Community College District Darcel Webb District Manager, Business Diversity	4343 Interstate 30 Mesquite, TX 75150 Email: businessdiversity@dcccd.edu	(972) 860-7917 (972) 860-7929 (fax)
12. D/FW Airport Board Felix Galan M/WBE Program Liaison	P.O. Box 619428 DFW Airport, TX 75261 Email: fgalan@dfwairport.com	(972) 973-5504 (972) 973-5501 (fax)
13. Dallas Independent School District Annie Partee Executive Director, M/WBE	3700 Ross Ave. – Box 76 Dallas, TX 75204 Email: Apartee@dallasisd.org	(972) 925-4143 (972) 925-4141 (fax)
14. Ferrovial Agroman * Angela Berry-Roberson DBE Manager	5220 LBJ Freeway, Suite 150 Dallas, TX 75240 Email: ARoberson@ferrovial.us.com	(972) 239-2471 (972) 510-3557 (fax)

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<u>Organization/Representative</u>	<u>Address</u>	<u>Telephone Number</u>
15. Fort Worth Transit (The "T") Andrew Boster Grant Administrator	1600 E. Lancaster Fort Worth, TX 76102 Email: aboster@the-T.com	(817) 215-8711 (817) 215-8709 (fax)
16. North Texas Tollway Authority LaRhonda Hytchye Manager of Business Opportunity & Policies	5900 W. Plano Parkway, #100 Plano, TX 75093 Email: lhytchye@ntta.org	(214) 224-2419 (214) 224-2158 (fax)
17. Tarrant County College District Andre' McEwing - Treasurer Director of Purchasing	300 Trinity Campus Circle Fort Worth, TX 76102 Email: andre.mcewing@tccd.edu	(817) 515-1509 (817) 515-0627 (fax)
18. Tarrant Regional Water District Stacy Beeson Fair Contracting Program Administrator	307 W. 7 th Street, Suite 100 Fort Worth, TX 76106 Email: stacy.beeson@trwd.com	(817) 698-0700 * 257 (817) 313-3770 (phone 2)

* AM – Associate Member